

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 03827 291738Z

72

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 PA-01 PRS-01 USIA-06 /058 W

----- 096720

R 291712Z APR 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 8772

INFO ALL EC CAPITALS 608

LIMITED OFFICIAL USE EC BRUSSELS 3827

E.O. 11652: NA

TAGS: EFIN EEC

SUBJECT: EC COMMISSION WITHDRAWS EXPORT CREDIT PROPOSALS

REF: A) EC BRUSSELSS 1880
B) LONDON 5928

1. THE EC COMMISSION DECIDED ON APRIL 23 TO WITHDRAW A PROPOSED DIRECTIVE REGARDING EXPORT CREDITS WHICH IT HAD SUBMITTED IN 1971 TO THE EC COUNCIL. THE COUNCIL HAD FAILED TO ACT ON THIS PROPOSAL. IN LIGHT OF THE UK'S RECENT DECISION TO PROVIDE INSURANCE TO CAPITAL GOODS EXPORTERS AGAINST COST INFLATION (REF B), THE COMMISSION DECIDED TO DROP THE PROPOSED DIRECTIVE. THE COMMISSION HAD PROPOSED THAT THE MEMBER STATES HARMONIZE THEIR SYSTEMS OF EXPORT CREDIT INSURANCE COVERAGE FOR EXCHANGE RATE FLUCTUATIONS AND FOR COST ESCALATION.

2. MRS. ARCHIBALD OF THE EC COMMISSION SAID THAT SHE RECOMMENDED WITHDRAWAL OF THE 1971 PROPOSAL BECAUSE THE UK AND OTHERS WERE ABLE TO POINT TO THE COMMISSION'S OWN PROPOSAL WHEN IT BEGAN TO LOOK INTO THE POSSIBILITY THAT THESE SCHEMES CONTRAVENED THE ROME TREATY. THE COMMISSION IS NOW PREPARING A LEGAL

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 03827 291738Z

BEIRF ON THIS ISSUE AND AS INDICATED IN REF A, IT

WILL CONSIDER RAISING THE LEGALITY OF UK AND OTHER
COST ESCALATION SCHEMES AFTER THE UK REFERENDUM.

3. COMMENT: PRESS REPORT HAVE INDICATED THAT THERE
IS A LINK BETWEEN THE COMMISSION'S DECISION TO WITH-
DRAW THE PROPOSED DIRECTIVE AND THE COMMISSION'S
EFFORTS TO COMPLETE NEGOTIATIONS ON AN EXPORT CREDIT
GENTLEMEN'S AGREEMENT. MRS. ARCHIBALD SAID THERE
WAS NO SUCH RELATIONSHIP. NEVERTHELESS, THIS DECISION
IS AN INDICATION THAT THE COMMISSION MAY TAKE ACTION
AGAINST MEMBER STATES'S COST ESCALATION SCHEMES
WHEN THE POLITICAL SITUATION IS MORE PROPITIOUS. END
COMMENT. GREENWALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, CREDIT AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ECBRU03827
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750150-0703
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975044/aaaaadsj.tel
Line Count: 74
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 EC BRUSSELSS 1880
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 17 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 APR 2003 by BoyleJA>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC COMMISSION WITHDRAWS EXPORT CREDIT PROPOSALS
TAGS: EFIN, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006